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**CENTRAL INTELLIGENCE AGENCY**  
Washington 25, D. C.

10 August 1951

**MEMORANDUM:**

**SUBJECT: Confidential Funds Regulations**

1. Published herewith is Part XIV of the Confidential Funds Regulations, titled Rights, Privileges and Benefits of Covert Employees and Agents.

2. Part XIV defines the fourteen categories of personnel used by the Covert Offices and establishes the principles governing their rights, privileges and benefits. The principle is recognized that no individual should be required to suffer personal loss, without equivalent compensation, solely because of his service to CIA. Provision is made for the accommodation of normal accounting requirements to the circumstances of employment or operations and for lumping or grouping of allowances. Responsibility is placed upon the Special Contracting Officer for ensuring that Agency standards and requirements are met and that consistency of contract conditions is maintained in engaging contract personnel. Principles are established governing income derived from cover employment.

3. Where inconsistencies occur between Part XIV and any other provision of the Confidential Funds Regulations, Part XIV shall govern. Complete revision of the Confidential Funds Regulations is now in process and will resolve such inconsistencies.

4. Cross-referenced material indicated in Part XIV should be read by using activities prior to initiating action.

**WALTER B. SMITH**  
Director